

**ARIZONA DEPARTMENT OF REAL ESTATE
REAL ESTATE ADVISORY BOARD
MINUTES
October 15, 2008**

The Arizona Real Estate Advisory Board met on Wednesday, October 15, 2008 at the Arizona Department of Real Estate (ADRE), 2910 N. 44th Street, First Floor Conference Room, in Phoenix, Arizona.

I. CALL TO ORDER

Chair Gary Brasher called the meeting to order at approximately 10:05 a.m.

Members present:

- ☐ Gary Brasher, Chair, Tubac
- ☐ Lisa Suarez, Vice Chair, Tucson
- ☐ Tom Pancrazi, Member, Yuma
- ☐ Frank Dickens, Member, Phoenix
- ☐ Kathy Howe, Member, Sedona
- ☐ Ann White, Member, Tucson
- ☐ Patti Shaw, Member, Phoenix (Phone)
- ☐ Jack Jackson, Member, Phoenix (Phone)

Unable to attend: Bruce Mosby, Member, Phoenix

ADRE representatives present:

- ☐ Sam Wercinski, Commissioner
- ☐ Tom Adams, Assistant Commissioner, Investigations
- ☐ Tory Anderson, Assistant Commissioner, Policy & Projects
- ☐ Mary Utley, Assistant Commissioner, Public Relations (Phone)
- ☐ Janet Blair, Assistant Commissioner, Licensing
- ☐ Robert Hall, Executive Assistant to the Commissioner

Public present:

- ☐ None

II. MINUTES

Upon motion by Lisa Suarez, seconded by Tom Pancrazzi, the Minutes of the April 10th, 2008 meeting were unanimously approved.

III. SELECTION OF CHAIR AND VICE CHAIR

Chair Gary Brasher and Vice Chair Lisa Suarez terms expire on January 19, 2009 and have opted not to seek reappointment. Chairman Brasher requested nominations for Chair and Vice-Chair. A motion was made by Ann White and seconded by Kathy Howe to nominate Frank Dickens as Chair. A vote was made by the board and unanimously approved Frank Dickens as Chairman. A

nomination was made by Lisa Suarez and seconded by Ann White to select Kathy Howe as Vice-Chair. A vote was made by the board and unanimously approved Kathy Howe as Vice-Chair.

IV. FACILITATOR REPORT FROM ADVISORY BOARD MEMBERS

Chair Brasher requested that members report on their facilitator inquiries. Several members had received inquiries from the public.

V. COMMISSIONER'S REPORT

Commissioner Wercinski provided information highlighting the Community Outreach and Education (COE) presentations. He noted that Kathy Howe has been "terrific" and a great asset to the program. Commissioner stated that the COE's have been a great success. Presentation of the Governor's Smart Growth Draft Scorecard has drawn in City and County Officials. The Scorecard is being received very positively from around the State. We are dispelling some pre-conceived conceptions that the Scorecard will be a "stick" whereas it is really more of a "carrot". The remaining two hours of the COE presentation is all about new statutes and "hot topics". We focus a lot on mortgage fraud and have been updating the presentation as new techniques arise. Commissioner Wercinski also touched on the number of complaints in the Department being up by about 25 percent from 2007. We are also seeing an increase in property management schemes and problems. This is covered as well in the COE presentations. The Commissioner also provided dates for the remaining COE's.

VI. REPORT ON DIVISION STATS – TORY ANDERSON

Tory provided attendance figures for the completed COE's. As of today we have educated 1740 people through our outreach. She further noted that we will reach approximately an additional 1000 through our last four scheduled COE presentations. Tory also presented information on utilizing "Google Earth" to allow viewing of illegal subdivisions via the web. Tory demonstrated the functionality of the "Google Earth" features. Discussion ensued. Tory provided the following ADRE success statistics:

- Processed 453 new licenses in September, noting that the number is slightly lower in comparison to 2007.
- Licensee count as of October 1, 2008: 95,539. Numbers continue a slight increase over previous years except 2007 with a total of 96,356.
- Enforcement & Compliance Division has had 933 new enforcement cases since Commissioner Wercinski's arrival. Enforcement pending caseload has been reduced from 540 to 288. We continue to bring the number down.

- Shift in resources – Emphasis has been placed on consumer protection, which is the focus for Investigations and Enforcement & Compliance Divisions. This is a more effective of resources.
- Telecommuting/Compressed Work Weeks resulted in more motivated and efficient staff, reduced carbon emissions and improved employee morale. Since June 2008, ADRE employees saved 3.2 metric tons of carbon and saved 8,575 miles.

OTHER MATTERS

Lisa Suarez discussed the SPDS form through AAR. She asked about the obligations of landlords to disclose title issues and defects of properties. Is there a "Landlord SPDS" to protect the consumer and does ADRE go after the landlord for not disclosing on a rental in addition to a sales? Commissioner Wercinski responded and noted that property managers, as licensees have a duty to ensure that there is a disclosure. He further noted that the Home Buyers and Renters Bill of Rights, available on the website, states that the consumer has the right to know these material facts. Commissioner Wercinski stated that the Department doesn't oversee the Landlord Tenant; but what we're talking about here is what the licensees have a fiduciary duty to disclose. The Commissioner emphasized that the Lease is a real estate transaction and the agents who are practicing law, writing the leases, have a fiduciary duty to represent their clients and treat other parties fairly and honestly; disclosure is a key element of these transactions. Discussion ensued.

Kathy Howe advised that she will be attending the ARELLO conference and will report back to the board and regarding any new information. Kathy noted that she will be getting certified as a Distance Learning Instructor.

VIII. CALL TO THE PUBLIC

None

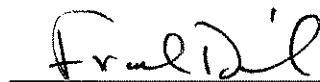
IX. ADJOURNMENT

On a motion by Lisa Suarez, seconded by Tom Pancrazzi and approved by the Board, Chair Brasher adjourned the meeting at 11:15 a.m.

DATED THIS 8th Day of January, 2009.

ARIZONA REAL ESTATE ADVISORY BOARD

By: _____



Frank Dickens, Chair

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